

Project Operating Plan – Title X Uranium/Thorium Reimbursement Program

Title X Uranium/Thorium Reimbursement Program Project Operating Plan

BACKGROUND

Recovery Act Project:	Title X Uranium/Thorium Reimbursement Program
TAFS:	89-09/10-5657
Project Identification Code:	2002170
Recovery Act Bill Reference:	P.L. 111-5 Title V – Energy and Water Development, Uranium Enrichment Decontamination and Decommissioning Fund
Project Cost:	\$70,000,000
Budget Authority:	05999, FF.05.10.00.0
Program Office:	Environmental Management (EM)
Recovery Program Plan:	EM - Uranium Enrichment Decontamination and Decommissioning Fund
Management Office:	Environmental Management - Headquarters David Mathes, (3010 903-7222, david.mathes@em.doe.gov)

LEADS

Implementation: N/A
Breakthrough: N/A
Laboratory: N/A

I. SUMMARY & OBJECTIVES

- **Summary:** This American Recovery and Reinvestment Act Program supports the mission of DOE and Office of Environmental Management to protect the environment by providing a responsible resolution to the environmental legacy of nuclear weapons production. This is achieved by reimbursing licensees of certain uranium (U) and thorium (Th) processing sites for the portion of their cleanup costs attributable to the production and sales of U and Th to the Federal Government during the Cold War Era. Cleanup generally consists of the demolition and disposal of mills that processed U and Th ores; consolidation and capping of U and Th mill tailings (process waste) in disposal cells; and cleanup and treatment of groundwater. Upon completion of cleanup and termination of Nuclear Regulatory Commission licenses, the disposal cells are transferred to the Department's Legacy Management Program for Long-Term Surveillance and Maintenance. Each site cleanup is regulated by the NRC or an Agreement State; i.e., DOE has no regulatory authority or responsibility for the cleanups. Also there is no contract or grant mechanism between DOE and the licensees. Reimbursements to each licensee are based on a DOE and Defense Contract Audit Agency audit of claims submitted by licensees annually for prior year costs.
 - The Federal Government has a legislated financial liability for the environmental cleanup of U and Th processing sites that sold their product to the Federal Government.

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- Cleanup of these sites is an environmental legacy of the Cold War. What distinguishes these sites is they are privately owned, and DOE's liability is limited to the share of their production related to federal sales.
- Eleven U & Th licensees are currently eligible to receive reimbursements. Direct payments are made to licensees following audit and approval of eligible costs in claims submitted by each licensee.

This Recovery Act work ties to the following DOE and EM Strategic Goals and Themes:

DOE Strategic Goal 4 – Environmental Responsibility – Protecting the environment by providing a responsible resolution to the environmental legacy of nuclear weapons production.

DOE Strategic Goal 5 – Management and Excellence – Enabling the Department's mission through sound management and business practices.

EM Goals – To safely disposition large volumes of nuclear waste; safeguard materials that could be used in nuclear weapons; deactivate and decommission thousands of contaminated facilities no longer needed by the Department to carry on its current mission; EM is fulfilling its commitments to reduce overall risk and complete cleanup across all sites for generations to come

- **Public Benefits:** This funding has eliminated the backlog of reimbursements owed to 12 licensees and will allow the Department to meet its financial obligations for reimbursing licensees through FY 2012, and the funds may enhance licensees' ability to continue cleanup and accelerate closure of their sites. Since, DOE has no contract or regulatory authority for these cleanups, DOE does not have metrics associated with the health and environmental benefits of the cleanups.
- **Recovery Act Project Impacts:** This is an ongoing Project – funding will allow DOE to reimburse all eligible claim amounts through FY 2012 and may enhance licensees' ongoing cleanup efforts.
 - The goal of this project is to eliminate the government's liability for environmental cleanup at sites that produced U and Th during the Cold War Era for DOE and its predecessors.
 - The funding provided by the Recovery Act may enable to the licensees of these sites to accelerate the completion of cleanup programs and eliminate the environmental risks at these sites.

II. COST & SCHEDULE

Budget:

FY 2009 reimbursements totaling about \$32 million were made to 12 licensees eliminating the backlog of unpaid claims (including final payment to one licensee), and FY 2010 reimbursements totaling about \$13.8 million were made in January of 2010. As of January 2010, nearly 66% of

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the available ARRA funds have been reimbursed. The balance of Title X ARRA funds will be paid in FYs 2011 through FY 2013.

Under 10 CFR 765 these annual reimbursements are to be made by the end of April each year:

- \$400,000 will be used for Federal in-house activities: audit of claims
- \$350,000 retained for Federal Recovery Act hold backs
- \$69,250,000 will be paid to 12 non-federal U & Th licensees
- The maximum total federal liability for this Program is \$868 million, of which \$619 million has been reimbursed through FY 2010
- The legislative line item for this project is Title X, Subtitle A of the Energy Policy Act of 1992 with funds to be provided from the Uranium Enrichment Decontamination and Decommissioning (UED&D) Fund.
- Title X is 17.9% of the total appropriation for the UED&D Fund in this legislation.
- Funds will be distributed directly to licensees. Pending availability of the funds the remaining payments with ARRA funds will be made in or before April of FYs 2011, 2012, and 2013.

Table 1: Budget Implementation Monthly Obligations (actual obligations to contractors for Apr 2009 through Feb 2010 and projected obligations to contractors for Mar 2010 through Sept 2010) (\$M)

The Project funding is subject to re-apportionment and will be finalized by 9/30/2010; the Project Operating Plan will then be reissued with an obligations table.

Note: Obligations through January 2010 were made at the same time as reimbursements. Fourth quarter FY 2010 obligations will be based on claims received in FY 2010 for payment in subsequent FY's and federal liability in approved Plans for Subsequent Remedial Action approved in 2007.

Table 2: Budget Implementation Actual and Planned Monthly Expenditures (actual costs for Apr 2009 through Feb 2010 and projected costs for Mar 2010 through Sept 2011 and then, if applicable, projected quarterly expenditures in FY2012) (\$M)

The Project funding is subject to re-apportionment and will be finalized by 9/30/2010; the Project Operating Plan will then be reissued with a costs table.

Note: Actual expenditures (reimbursements) in FY's 2011 and 2012 will be based on final approved claim amounts for claims received in FY 2010 and 2011 and on inflation adjustments required by Title X. As a result, some funds may not be reimbursed until 1st quarter of FY 2013.

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Funds Returned and Offsetting Collections

Table 3: Funds Returned and Offsetting Collections (\$M)

	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
Release of funds withheld in FY 2009.		\$0.7					

Indirect Costs

N/A because this project does not have DOE site and facility operating contractors.

Changes to Baseline Budget

Table 4: Changes to Baseline Budgets (\$M)

Not applicable

Milestones for Title X Uranium/Thorium Reimbursement Program

Milestone Date (ARRA Baseline Date)	Title X Uranium/Thorium Reimbursement Program
April 29, 2009	Uranium Licensee Reimbursements
September 3, 2009	Thorium Licensee Reimbursement
January 22, 2010	U/Th Licensee Reimbursements
March 31, 2011	U/Th Licensee Reimbursements
March 30, 2012	U/Th Licensee Reimbursements
March 29, 2013	U/Th Licensee Reimbursements if funds carried over to FY 2013

NEPA Compliance: N/A (DOE has no regulatory responsibility or oversight of licensees' remedial actions.)

Project Management: N/A (DOE has no responsibility for licensees' remedial actions other than reimbursement of a predetermined share of their previously incurred remedial action costs.)

Table 5: Delivery Schedule for Capital Asset Projects; N/A

Program/OECM Milestone	Delivery (End) Date	Comments
Develop capital asset projects Integrated Project List		
Develop Parametric Performance Baseline (Individual Projects)		
If < \$100 M Perform IPR, > \$100 M Perform EIR (Individual Projects)		
Approve Performance Baseline		

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Approve Start of Construction		
Approve Project Completion		

III. PERFORMANCE

Performance Measures

There are no performance measures for this program other than making the annual payments to licensees.

Table 6: Project Performance

Recovery Act Project Identification Code	FF.05.10.00.0 Recovery Act Uranium Enrichment Decontamination and Decommissioning Fund, 2002170 Title X Uranium/Thorium Reimbursement Program
Linkage To S-1 Priorities	Environmental Responsibility – Protecting the environment by providing a responsible resolution to the environmental legacy of nuclear weapons production.
Linkage to Current Program Goal (if applicable)	DOE Strategic Goal 4 – Environmental Responsibility – Protecting the environment by providing a responsible resolution to the environmental legacy of nuclear weapons production. EM Goals – To safely disposition large volumes of nuclear waste; safeguard materials that could be used in nuclear weapons; deactivate and decommission thousands of contaminated facilities no longer needed by the Department to carry on its current mission; EM is fulfilling its commitments to reduce overall risk and complete cleanup across all sites for generations to come.
Two-Year Outcome-Oriented Performance Measure	Eliminate the backlog of unpaid claims to all Title X licensees.
First Year Performance Target (FY 2009)	Make the annual payment to licensees in the third quarter.
Q1 - Project-Level Quarterly Performance Milestone(s)	
Q2 - Project-Level Quarterly Performance Milestone(s)	
Q3 - Project-Level Quarterly Performance Milestone(s)	Make annual payment to licensees.

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Q4 - Project-Level Quarterly Performance Milestone(s)	
Second Year Performance Target (FY 2010)	Make the annual payment to licensees in the third quarter.
Q1 - Project-Level Quarterly Performance Milestone(s)	
Q2 - Project-Level Quarterly Performance Milestone(s)	
Q3 - Project-Level Quarterly Performance Milestone(s)	Make annual payment to licensees.
Q4 - Project-Level Quarterly Performance Milestone(s)	
Third Year Performance Target FY 2011)	Make the annual payment to licensees in the third quarter.
Q1 - Project-Level Quarterly Performance Milestone(s)	
Q2 - Project-Level Quarterly Performance Milestone(s)	
Q3 - Project-Level Quarterly Performance Milestone(s)	Make annual payment to licensees.
Q4 - Project-Level Quarterly Performance Milestone(s)	
Fourth Year Performance Target (FY 2013)	Make the annual payment to licensees in the third quarter (if required to reimburse any unused balance of ARRA funds)
Q1 - Project-Level Quarterly Performance Milestone(s)	
Q2 - Project-Level Quarterly Performance Milestone(s)	
Q3 - Project-Level Quarterly Performance Milestone(s)	Make annual payment to licensees.
Q4 - Project-Level Quarterly Performance Milestone(s)	

NOTE: Recovery Act funding allowed the Title X Program to eliminate the backlog of unpaid claim amounts in FY 2009 and will allow all annual claim amounts to be paid in FY's 2010 through 2012.

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National Strategic Benefits N/A

Table 7: National Strategic Benefits

1. Carbon Emission Reductions: Estimated 5-year undiscounted CO ₂ reduction (in metric tonnes of CO ₂ equivalent) is N/A
2. Oil Consumption Reductions: Estimated 5-year reduction in undiscounted oil consumption (in barrels of oil equivalent) is N/A

IV. MANAGEMENT

Secretarial-level Items

Intended Results and Linkage to Secretary's Priorities

Table 8: Secretary's Priorities

Secretary's Priorities	Project Impacts (Qualitative)	Project Impacts (Quantitative)
Science and Discovery		
Clean, Secure Energy		
Economic Prosperity		
National Security and Legacy	Accelerate reduction of health & environmental risks at legacy waste sites.	Of the 11 remaining sites in this program, the DOE financial liability will be eliminated at 5 sites within the next 5 years.
Climate Change		

Collaboration and Coordination N/A

Federal Infrastructure Investments

There are no infrastructure investment project activities associated with this Title X Recovery Act Project.

These facilities contain hazardous or radiological material. Accelerating the removal and proper disposal reduces risk of releases of this material to the environment

Line Management: N/A

Needs from Staff Offices N/A

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Table 9: Information on Hiring Under the Recovery Act: N/A because Title X provides reimbursement of costs incurred in a previous year.

# & Type of Positions (Title, Series and Grade)	Location (HQ or Field – w/location)	Federal or Contractor	Timeframe (1-6 mos; 6+mos; other; specify date needed if possible)
N/A			

2) Procurement N/A

Table 10: Procurement Plans

Activity	Type	New/Exist (N/E)	Changes (E), Needs (N)	Status	Expected Complete	Issues (Y/N)
N/A						